

**Commonwealth of Massachusetts
Executive Office of Health and Human Services**

NOTICE OF PUBLIC HEARING

Pursuant to the authority of M.G.L. c. 118E and in accordance with M.G.L. c. 30A, a remote public hearing will be held on Monday, December 6, 2021 at 9:00 a.m. relative to the emergency adoption of:

101 CMR 204.00: Rates of Payment to Resident Care Facilities.

The proposed rates, effective December 1, 2021, were calculated according to the following methodology:

- Update the base year from 2018 to 2019.
 - Calculate allowed Variable, Fixed Cost, Equity, Working Capital, and Capital Add-On Per Diems using 2019 costs.
 - Cap variable costs at the 85th percentile, or \$128.96. With a 5.49% cost adjustment factor (CAF) applied, the cap is at \$136.04.
 - Fixed Cost and Equity components are limited to the amounts described in 101 CMR 204.08(2)(a)(1)(d).
 - The methodology used to set the proposed rates applies a 90% occupancy standard when calculating per diem costs.
- For each rest home, the preliminary rate is the sum of the components listed above.
- For each rest home, calculate its DTA days percentage by summing its DTA days, then dividing the sum by the rest home's total days, based on the 2019 cost report. The facility's DTA Adjustment is equal to its DTA days percentage multiplied by \$5.00.
- For each rest home that had residents who were receiving MassHealth-covered GAFC services as of October 15, 2020, the proposed GAFC adjustment is equal to the GAFC adjustment the facility is receiving on November 30, 2021.
- For each rest home, calculate a new rate effective December 1, 2021, equal to the greater of
 - the sum of the preliminary rate, the DTA Adjustment, the GAFC Adjustment, and a resident care add-on of \$6.80; or
 - the sum of the facility's certified rate in effect on November 30, 2021 and a resident care add-on of \$6.80.
- For rates effective December 1 through December 31, 2021, apply an annualization adjustment of 496.77% of the difference between the new rate and the current rate, to cover the 154 days from July 1 through November 30, 2021.

The amendments to the regulation also describe a Resident Care Cost Quotient (RCC-Q). Beginning in SFY2023, facilities must meet an RCC-Q threshold. The RCC-Q will be calculated by dividing certain rest home expenses by revenue, excluding any revenue from non-rest home lines of business, based on reports that facilities will be required to file. A downward rate adjustment may be applied in future rate years to facilities that fail to meet the RCC-Q threshold.

The anticipated annualized fiscal impact of these amendments is approximately \$4.0 million.

The regulation went into effect as an emergency with corresponding rates effective December 1, 2021. There is no fiscal impact on cities and towns.

To register to testify at the hearing and to get instructions on how to join the hearing online, go to www.mass.gov/service-details/executive-office-of-health-and-human-services-public-hearings. To join the hearing by phone, call (646) 558-8656 and enter meeting ID 935 397 8200# when prompted.

You may also submit written testimony instead of, or in addition to, live testimony. To submit written testimony, please email your testimony to ehs-regulations@mass.gov as an attached Word or PDF document or as text within the body of the email with the name of the regulation in the subject line. All written testimony must include the sender's full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by email should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6th Floor, Quincy, MA 02171. Written testimony will be accepted through 5:00 p.m. on December 6, 2021.

To review the emergency regulation, go to www.mass.gov/service-details/executive-office-of-health-and-human-services-public-hearings or request a copy in writing from MassHealth Publications, 100 Hancock Street, 6th Floor, Quincy, MA 02171. To view or download related supporting materials, go to www.mass.gov/service-details/proposed-regulations-supporting-materials.

Special accommodation requests may be directed to the Disability Accommodations Ombudsman by email at ADAAccommodations@mass.gov or by phone at (617) 847-3468 (TTY: (617) 847-3788 for people who are deaf, hard of hearing, or speech disabled). Please allow two weeks to schedule sign language interpreters.

EOHHS may adopt a final, revised version of the emergency regulation taking into account relevant comments and any other practical alternatives that come to its attention.

In case of inclement weather or other emergency, hearing cancellation announcements will be posted on the MassHealth website at www.mass.gov/service-details/executive-office-of-health-and-human-services-public-hearings.

November 15, 2021